GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2751
ANSWERED ON:17.03.2017
Stressed Assets
Udhayakumar Shri M.

Will the Minister of FINANCE be pleased to state:

(a) whether banks are looking at the resolution of their stressed assets totalling 1.25 to Rs.1.50 lakh crore inspired by speedy recovery of loans by prominent lender banks;
(b) if so, the details thereof;
(c) whether the banks are focussed on the resolution part based on some the '3 Rs.' formula to recover their dues; and
(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) and (b): Total Stressed Assets (Gross Non Performing Assets and Restructured Standard Advances) of Scheduled Commercial Banks (SCBs) was Rs.9.64 lakh crore as on Dec 31, 2016 and Reduction in NPAs- due to actual recoveries (April to Dec) for SCBs are Rs.46,245 crore at the end of Dec 31, 2016 for global operations.

(c) and (d): RBI has provided a number of resolution tools viz. Corporate Debt Restructuring (CDR), Formation of Joint Lenders' Forum (JLF) including rectification, restructuring and recovery, Flexible Structuring for long term project loans to Infrastructure and Core industries (5/25 Scheme), Strategic Debt Restructuring Scheme (SDR) and Sustainable Structuring of Stressed Assets (S4A). The Government has taken sector specific measures (Infrastructure, Power, Road, textiles, Steel etc.) where incidence of NPA is high. The Insolvency and Bankruptcy code (IBC) has been enacted and Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) and The Recovery of Debts due to Banks and Financial Institutions (RDDBFI) Act have been amended to improve resolution/recovery of bank loans. Six new Debt Recovery Tribunals (DRTs) have been established for improving recovery.
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